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Calendar No. 587

99TH CONGRESS
2d Session

SENATE

REPORT
99-268

ORIGINAL

VIETNAM VETERANS OF AMERICA, INC.

MARCH 26 (legislative day, MARCH 18), 1986.—Ordered to be printed

Mr. THURMOND, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 8]

The Committee on the Judiciary, to which was referred the bill (S. 8) to grant a Federal charter to the Vietnam Veterans of America, Inc., having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

PURPOSE

The bill, S. 8, would grant a Federal charter to the Vietnam Veterans of America, Inc.

HISTORY

A bill to grant a Federal charter to the Vietnam Veterans of American, Incorporated, was first introduced in the 98th Congress (1984). The legislation was introduced as S. 2266 by Senators Cranston and Simpson in the 98th Congress, and again by Senator Cranston as S. 8 in the 99th Congress (1985).

STATEMENT

The Vietnam Veterans of America, Incorporated, (VVA), founded in 1978, was incorporated in the State of New York in 1978 under the name of "Council of Vietnam Veterans, Incorporated." A certificate of change was filed in 1979 under the name of "Vietnam Veterans of America, Incorporated". The Internal Revenue Service has granted the organization 501(c)(19) status as a not-for-profit, tax-exempt wartime veterans organization continuously since February 1978.

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The membership of this organization is comprised of men and women who served faithfully in the United States Armed Forces for more than 180 days during the Vietnam war (August 5, 1964 through May 7, 1975), and members of the Armed Forces who served in the Vietnam combat theater at any previous time. Associate and honorary memberships are also occasionally conferred. The organization's goal is to foster, encourage, and promote improvement of the condition of the Vietnam veteran, widows and orphans of Vietnam veterans, veterans of other wartime service, and others.

With its national headquarters located in the District of Columbia, the VVA has over 250 chapters in more than 40 states. The Vietnam Veterans of America, Inc. is operated for service, educational, and patriotic purposes. VVA has approximately 32,000 members, with members residing in all 50 states. VVA's members come from a wide spectrum of income levels, political beliefs, religious and ethnic groups.

The Vietnam Veterans of America, Incorporated has a strong commitment of service to all veterans, and particularly to Vietnam and disabled veterans. Recognized by the Veterans Administration to represent claims of individual veterans since 1981, the VVA has one of the finest claims assistance services in the Nation. This claims service, known as VVA Legal Services, has published the 640 page VVALS Service Representatives Manual, that has been acclaimed by many as the most comprehensive publication of its kind. In 1985, the Viet Vet Survival Guide, written by VVA national officers and staff members, was commercially published. To date, it has sold over 100,000 copies nation-wide.

The organization actively participates in the Veterans Administration voluntary service program (VAVS). The VVA works closely with the Veterans Administration, the Veterans Employment and Training Service at the Department of Labor, the Office of Personnel Management, and the Small Business Administration in order to help ensure the most effective services possible to our nation's veterans. The VVA also has proven to be of significant assistance to the Committee on Veterans Affairs, and other Committees of the U.S. Senate as they seek to best meet the needs of veterans.

Vietnam Veterans of America, Incorporated actively works with the Administrator of Veterans Affairs on the Administrator's Advisory Committee on the Readjustment of Vietnam Veterans, and with the Readjustment Counseling Service as well as with most of the 189 veterans centers to assist, in any way possible, delivery of care that promotes full readjustment and independence of Vietnam veterans. The VVA is also active at the state and chapter level in promoting private sector initiatives and solutions to lingering employment and small business development needs of Vietnam and disabled veterans. The VVA works closely on the local level with the Veterans Employment and Training Services, the Small Business Administration's Veterans Business Resource Councils, and private employers and organizations such as the National Small Business Association (NSBA) to accomplish these ends.

In addition to substantive programs at the national, State, and local levels that are intended to address the readjustment needs of Vietnam and disabled veterans, the Vietnam Veterans of America engages in a wide variety of general community service projects to

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improve the fabric and quality of American family life. Examples of these activities include participation in the Special Olympics, operation of food banks and soup kitchens, origination of a special soap-box derby for severely disabled children, and other activities of this nature too numerous to mention.

National in scope, due to its broad-based membership and voluntary service programs, the Vietnam Veterans of America, Incorporated, would be on an equal footing with other veterans service organizations with which it participates in service programs, upon receipt of a Federal charter.

The purpose of this legislation is merely to recognize an existing organization chartered by the State of New York. It does not expand any corporate rights or relieve any corporate responsibilities established by the New York charter. Moreover, this legislation specifically requires compliance with the State, or the laws of the District of Columbia, governing the election of corporate officers and the responsibilities of the Board of Directors for the corporation. It also specifically requires compliance with existing State and District of Columbia laws governing service of process.

In order to assure responsible and appropriate conduct on the part of the corporation, the legislation prohibits certain corporate acts and establishes certain requirements for the corporation. The legislation prohibits the loan or transfer of corporate income or assets to officers, members, or other persons (except for compensation or expenses) or the issuance of stock or the payment of dividends. The legislation further prohibits the corporation from claiming congressional approval or Federal Government authority for any of its activities. The legislation requires the corporation to keep certain records, to perform an annual audit and to report to Congress annually. Should the corporation engage in any prohibited activity or fail to perform any of the requirements established by this legislation, or if the corporation fails to maintain its tax-exempt status, the Federal charter granted by this legislation will expire automatically as a matter of law.

In recognition of the merits of the organization, there is broad bipartisan support in the Senate for a Federal charter for the Vietnam Veterans of America, Incorporated. S. 8 currently has 63 cosponsors.

Committee Vote

On March 20, 1986, the Committee on the Judiciary, pursuant to Committee rule, waived by two-thirds' vote the standard to require a private organization to have been in operation under a charter granted by a State or the District of Columbia for a minimum of 10 years. The Committee, without objection, then approved S. 8 with an amendment and ordered the bill favorably reported with said amendment.

Committee Amendment and Explanation

S. 8 was amended in committee by deleting on page 6, line 3, "(68)", and inserting the following in lieu thereof "(72)".

This is a technical amendment to correct a drafting error in the bill, as introduced.

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COST ESTIMATE

In compliance with paragraph 11(a), rule XXVI of the Standing Rules of the Senate, the committee estimates that enactment of this legislation will involve no direct additional expenditure to the Government. The committee notes the following letter from the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 24, 1986.

Hon. STROM THURMOND,
Chairman, Committee on the Judiciary, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 8, a bill to grant a federal charter to the Vietnam Veterans of America, Inc., as ordered by the Senate Committee on the Judiciary, March 20, 1986. CBO estimates that no costs to the federal government or to state or local governments will result from enactment of this bill.

The Vietnam Veterans of America, Inc., is a nonprofit corporation presently organized under the laws of the State of New York. S. 8 grants the corporation a federal charter and recognizes its tax-exempt status. The corporation will continue to operate pursuant to its articles of incorporation filed in the state and the constitution and bylaws of the corporation. The bill places restrictions on some activities of the corporation, provides for annual audits of its accounts by independent certified public accountants, and requires an annual report to be submitted to the Congress.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

EDWARD GRAMLICH
(For Rudolph G. Penner, Director).

REGULATORY IMPACT

In compliance with paragraph 11(b), rule XXVI of the Standing Rules of the Senate, the committee has concluded that this legislation does not create any new regulations with which the public must comply.

CHANGES IN EXISTING LAW

In compliance with paragraph 12, rule XXVI of the Standing Rules of the Senate, changes in existing law made by S. 8, as reported, are shown as follows (new matters is printed in italic and existing law in which no change is proposed is shown in roman):

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UNITED STATES CODE

Title 36

Patriotic Societies and Observances

CHAPTER 42.—AUDITS OF FEDERALLY CHARTERED CORPORATIONS

Sec.
1101. Definition of private corporations established under Federal law.
(72) Vietnam Veterans of America, Incorporated

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ADDITIONAL VIEW BY THE HONORABLE JEREMIAH DENTON

S. 8, a bill to grant a Federal Charter to the Vietnam Veterans of America, Inc. (VVA), was introduced on January 3, 1985. At the time of introduction, I had serious reservations about the bill.

I had serious reservations about the VVA's past history of activities, about its original orientation, and about its leadership. Since it is the national leadership that is seeking the Federal Charter, its activities are pertinent to the decision on whether or not to support the request. Many of its past activities appeared to have been unwarranted interferences in the conduct of our foreign policy. Other activities had seemed to bring dishonor upon Americans who served our country in Vietnam, including those who gave their lives.

The questionable activities included:

1. Welcoming to membership men and women who were discharged with dishonorable status or who deserted rather than basing the membership upon honorable service to the United States.

2. Conducting visits to the communist regimes of Vietnam and Cambodia. During one such trip, Robert Muller, the National President, laid a wreath at the grave of Ho Chi Minh with the inscription "With respect from the Vietnam Veterans of America." That action has considerably less merit than President Reagan's visit to Bitburg Cemetery, which was condemned in the Senate.

3. Interfering with our government's efforts to resolve the status of our MIAs by separately calling for normalization of relations with Vietnam prior to a full accounting of all American MIAs; and

4. Seeking reconciliation with the government of Vietnam, and in fact presenting itself as the official liaison between Hanoi and Washington.

As a result of the perception I had of the VVA based on the past activities of its leadership, I decided to meet with Bobby Muller, the organization's President. In fact, we had a number of good meetings entailing several hours. As a result of these meetings, I must say that I understand and respect Bobby, and I commend him for his military service to this country. I must also state that these meetings developed a degree of commonality between Bobby and myself as to the special needs of the Vietnam era veterans.

Finally, during the course of these meetings it became apparent that Bobby and the leadership of the VVA have realized the past errors of politicizing the organization by involving the VVA in non-veteran policy issues. In fact, at the national convention this past November, Bobby pushed through an amendment to the organization's constitution which specifically prohibits the national organi-

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zation and the State chapters from becoming involved in political issues outside of the veteran's area. I believe that Bobby has done his organization a tremendous service by compelling it to focus on the needs of the Vietnam vet and not on extraneous highly political issues.

I now believe that the intentions of the VVA leadership are just and honorable and that the past discretions will not be repeated because of the modification of the organization's constitution.

In light of the foregoing, I removed my reservation as to the bill.

I did, however, maintain my reservation about granting a waiver to the 10 year longevity requirement to any organization. I believe that the original reasoning behind the 10 year requirement remains sound and that granting any waiver will set a troublesome precedent. Yet, I was willing to let the Committee work its will on that point.

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